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C O N F I D E N T I A L SECTION 1 OF 4 USUN 1253

E.O. 11652: GDS

TAGS: EGEN, ECOSOC, UNGA

SUBJ: UNGA SPECIAL SESSION: PROGRAM OF ACTION

REF: USUN 1172

1. REPRODUCED BELOW IS DRAFT TEXT OF PROGRAM OF ACTION DEVELOPED BY NY-BASED EEC-9. TEXT, WHICH IS KEYED TO G-77 DRAFT, IS A WORKING DOCUMENT ONLY. IT WAS PROVIDED TO US BY THE UK MISSION ON CONFIDENTIAL BASIS. ACCORDING TO THE BRITS THE EEC-9 UNDERTOOK THE DRAFT AS AN "INTELLECTUAL EXERCISE", AND HAVE NOT YET DECIDED HOW OR UNDER WHAT CIRCUMSTANCES IT MIGHT BE USED BY THEM.

2. USUN BELIEVES HIGHLY UNLIKELY THAT EEC-9 TEXT WOULD BE TABLED IN COURSE OF SPECIAL SESSION. TEXT MORE LIKELY WILL BE USED BY DELEGATIONS AS GUIDELINES FOR
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NEGOTIATIONS AND CONSULTATIONS IN THE AD HOC COMMITTEE

WHICH WILL DEAL WITH THE PROGRAM OF ACTION AND DECLARATION
OF PRINCIPLES.

PROGRAMME OF ACTION ALTERNATIVE TEXT

IN THIS PERIOD OF SEVERE ECONOMIC IMBALANCE IN THE RELATIONS
BETWEEN DEVELOPED AND DEVELOPING COUNTRIES, THE INTER-
NATIONAL COMMUNITY COMMITS ITSELF TO ESTABLISHING
A MORE JUST ECONOMIC ORDER BASED ON EQUITY AND INTERDEPENDENCE
OF THE INTERESTS OF DEVELOPED AND DEVELOPING COUNTRIES.
THIS WILL REQUIRE, WITHIN A TIME-BOUND FRAMEWORK,
AN ACTION PROGRAMME OF AN UNPRECEDENTED SCALE AND SCOPE
AND OPTIMUM ECONOMIC CO-OPERATION AND UNDERSTANDING BETWEEN
DEVELOPED AND DEVELOPING COUNTRIES.

IN THE CONTEST OF THE INCREASING DETERIORATION OF THE CON-
TINUING IMBALANCE OF THE ECONOMIES OF DEVELOPING COUNTRIES
AND THE CONSEQUENT NEED FOR THE MITIGATION OF THEIR CURRENT
ECONOMIC DIFFICULTIES, URGENT AND EFFECTIVE MEASURES NEED TO
BE TAKEN BY THE INTERNATIONAL COMMUNITY TO ASSIST
THE LEAST DEVELOPED COUNTRIES MOST SERIOUSLY AFFECTED
BY ECONOMIC CRISES AND NATURAL CALAMITIES, WHILE ALSO
DEVOTING PARTICULAR ATTENTION TO LAND-LOCKED AND ISLAND
DEVELOPING COUNTRIES.

I. FUNDAMENTAL PROBLEMS OF RAW MATERIALS AND PRIMARY
COMMODITIES AS RELATED TO TRADE AND DEVELOPMENT

1. RAW MATERIALS

(I) TO PUT AN END TO ALL FORMS OF FOREIGN DOMINATION
AND EXPLOITATION THROUGH THE EXERCISE
OF PERMANENT SOVEREIGNTY OVER NATURAL RESOURCES.

(II) MEASURES FOR THE DEVELOPMENT, EXPLOITATION,
MARKETING AND DISTRIBUTION OF NATURAL RESOURCES,
PARTICULARLY OF DEVELOPING COUNTRIES, TO SERVE
THEIR NATIONAL INTERESTS, TO PROMOTE COLLECTIVE
SELF-RELIANCE AMONG THEM, AND TO STRENGTHEN
MUTUALLY BENEFICIAL INTERNATIONAL ECONOMIC CO-
OPERATION WITH A VIEW TO BRING ABOUT THE ACCE-
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ELERATED DEVELOPMENT OF DEVELOPING COUNTRIES.

(III) ESTABLISHMENT AND IMPROVEMENT OF EFFECTIVE AND
APPROPRIATE PRODUCERS' ASSOCIATIONS AND JOINT
MARKETING ARRANGEMENTS AMONG DEVELOPING
COUNTRIES TO DEFEND THE PRICES OF EXPORTABLE
PRIMARY COMMODITIES, TO INCREASE THE SHARING
OF MARKETS AND TO STABILIZE MARKETS FOR THEM,

TO WHICH END EFFECTIVE AND APPROPRIATE CONSUMER ASSOCIATIONS CAN ALSO CONTRIBUTE.

(IV) THE ACHIEVEMENT OF A JUST AND EQUITABLE RELATIONSHIP BETWEEN PRICES OF RAW MATERIALS, PRIMARY COMMODITIES, SEMI-MANUFACTURED AND MANUFACTURED GOODS EXPORTED BY DEVELOPING COUNTRIES AND THE RAW MATERIALS, PRIMARY COMMODITIES, FOOD, MANUFACTURED AND SEMI-MANUFACTURED GOODS AND CAPITAL EQUIPMENT IMPORTED BY THEM, WITH THE AIMS OF SECURING FAIR TERMS OF TRADE.

(BEGIN BRACKETS) (V) MEASURES TO REVERSE THE TREND OF CONTINUED STAGNATION OR DECLINE IN THE REAL PRICE OF SEVERAL COMMODITIES EXPORTED BY DEVELOPING COUNTRIES DESPITE A GENERAL RISE IN COMMODITY PRICES, RESULTING IN A DECLINE IN THE EXPORT EARNINGS OF THESE DEVELOPING COUNTRIES. (END BRACKETS)

2. FOOD

(I) TO TAKE FULL ACCOUNT OF SPECIFIC PROBLEMS OF DEVELOPING COUNTRIES, PARTICULARLY IN TIMES OF FOOD SHORTAGES, IN THE INTERNATIONAL EFFORTS CONNECTED WITH THE FOOD PROBLEM.

(II) TO TAKE INTO ACCOUNT THAT SOME DEVELOPING COUNTRIES HAVE VAST POTENTIALITIES OF UNEXPLOITED LAND WHICH, IF RECLAIMED AND PUT INTO PRACTICAL USE, WOULD CONTRIBUTE CONSIDERABLY TO THE SOLUTION OF THE FOOD CRISIS.

(III) THE INTERNATIONAL COMMUNITY SHOULD UNDERTAKE

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CONCRETE AND SPEEDY MEASURES WITH A VIEW TO ARRESTING THE PHENOMENON OF DESERTIFICATION (?) INVOLVING SEVERAL DEVELOPING COUNTRIES, PARTICULARLY IN AFRICA, PHENOMENON THAT GRAVELY AFFECTS THE CAPACITY OF AGRICULTURAL PRODUCTION OF THESE COUNTRIES. FURTHERMORE, THE INTERNATIONAL COMMUNITY SHOULD ASSIST THE DEVELOPING COUNTRIES AFFECTED BY THIS PHENOMENON TO DEVELOP THEIR ARID AND SEMI-ARID ZONES WITH A VIEW TO CONTRIBUTING TO THE SOLUTION OF THEIR FOOD PROBLEMS.

DEVELOPED COUNTRIES SHOULD REFRAIN FROM:

(BEGIN BRACKETS) (1) ADOPTING ANY MEASURES RELATING TO PRO-

DUCTION AND STOCKS OF FOOD WHICH HAVE A DETRI-
MENTAL EFFECT ON VOLUME AVAILABLE AND AFFECT
DEVELOPING COUNTRIES WHICH EFFICIENTLY PRODUCE
THE SAME PRODUCTS AND ALSO AFFECT DEVELOPING
IMPORTING COUNTRIES BY ARTIFICIALLY INCREASING
PRICES. (END BRACKETS)

(BEGIN BRACKETS) (IV) ENSURING THAT DEVELOPING COUNTRIES CAN IMPORT
THE NECESSARY QUANTITY OF FOOD WITHOUT UNDUE
STRAIN ON THEIR FOREIGN EXCHANGE RESOURCES AND
WITHOUT UNPREDICTABLE FLUCTUATIONS IN THEIR
BALANCE OF PAYMENTS. (END BRACKETS)

(V) TAKING CONCRETE MEASURES TO INCREASE FOOD
PRODUCTION AND STORAGE FACILITIES IN DEVELOPING
COUNTRIES, INTER ALIA, ENSURING INCREASED
AVAILABILITY OF ALL ESSENTIAL INPUTS FROM
DEVELOPED COUNTRIES ON FAVOURABLE TERMS.

(VI) ENSURING EXPORT MARKETS FOR FOOD PRODUCTS OF DEV-
ELOPING COUNTRIES THROUGH JUST AND EQUITABLE
ARRANGEMENTS.

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DEVELOPED COUNTRIES SHOULD REFRAIN FROM:

BEGIN BRACKETS (I) ADOPTING ANY MEASURES RELATING TO
PRODUCTION AND STOCKS OF FOOD WHICH HAVE A DETRIMENTAL
EFFECT ON VOLUME AVAILABLE AND AFFECT DEVELOPING COUNTRIES
WHICH EFFICIENTLY PRODUCE THE SAME PRODUCTS AND ALSO
AFFECT DEVELOPING IMPORTING COUNTRIES BY ARTIFICIALLY
INCREASING PRICES. END BRACKETS

BEGIN BRACKETS (IV) ENSURING THAT DEVELOPING COUNTRIES
CAN IMPORT THE NECESSARY QUANTITY OF FOOD WITHOUT UNDUE
STRAIN ON THEIR FOREIGN EXCHANGE RESOURCES AND WITHOUT
UNPREDICTABLE FLUCTUATIONS IN THEIR BALANCE OF PAYMENTS.
END BRACKETS

(V) TAKING CONCRETE MEASURES TO INCREASE FOOD PRODUCTION
AND STORAGE FACILITIES IN DEVELOPING COUNTRIES, INTER ALIA,
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ENSURING INCREASED AVAILABILITY OF ALL ESSENTIAL INPUTS
FROM DEVELOPED COUNTRIES ON FAVOURABLE TERMS.

(VI) ENSURING EXPORT MARKETS FOR FOOD PRODUCTS OF DEVE-
LOPING COUNTRIES THROUGH JUST AND EQUITABLE ARRANGEMENTS.

3. GENERAL TRADE

(I) MEASURES FOR THE AMELIORATION OF TERMS OF
TRADE OF DEVELOPING COUNTRIES AND CONCRETE STEPS TO
ELIMINATE CHRONIC TRADE DEFICITS OF DEVELOPING COUNTRIES.

(A) FULFILMENT OF COMMITMENTS ALREADY UNDERTAKEN IN
UNCTAD AND IN THE INTERNATIONAL DEVELOPMENT STRATEGY.

(B) IMPROVED ACCESS TO MARKETS IN DEVELOPED COUNTRIES
THROUGH THE PROGRESSIVE REMOVAL OF TARIFF AND NON-TARIFF
BARRIERS AND ELIMINATION OF RESTRICTIVE BUSINESS PRACTICES.

(C) IN ORDER TO REGULATE AND STABILIZE WORLD MARKETS
FOR RAW MATERIALS AND PRIMARY COMMODITIES ADOPTION OF
BASIC PRINCIPLES AND OPERATION GUIDELINES TO FACILITATE
EXPEDITIOUS FORMULATION OF COMMODITY AGREEMENTS.

(E) WHERE PRODUCTS OF DEVELOPING COUNTRIES COMPETE
WITH THE DOMESTIC PRODUCTION OF DEVELOPED COUNTRIES,
EACH OF THE DEVELOPED COUNTRIES SHOULD ALLOCATE A DEFINED
PERCENTAGE OF ITS CONSUMPTION OF SUCH PRODUCTS TO EXPORTS
FROM DEVELOPING COUNTRIES.

(F) DEVELOPED COUNTRIES SHOULD MAKE STRUCTURAL ADJUSTMENTS

OF THEIR ECONOMIES SO AS TO FACILITATE THE EXPANSION OF IMPORTS FROM DEVELOPING COUNTRIES AND THEREBY PERMIT A JUST AND EQUITABLE INTERNATIONAL DIVISION OF LABOUR.

(G) SET UP GENERAL PRINCIPLES FOR PRICING POLICY FOR COMMODITIES WHICH WOULD BE REMUNERATIVE TO PRODUCERS AND EQUITABLE TO BOTH PRODUCERS AND CONSUMERS, TAKING INTO ACCOUNT THE DEVELOPMENT NEEDS OF THE DEVELOPING COUNTRIES.

(G BIS) IMPLEMENTATION, IMPROVEMENT AND ENLARGEMENT OF THE GENERALIZED SCHEME OF PREFERENCES OF EXPORTS OF MANUFACTURES AND SEMI-MANUFACTURES FROM DEVELOPING TO DEVELOPED COUNTRIES.

(H) DEVELOPING COUNTRIES WHICH, AS A RESULT OF THE CREATION AND POSSIBLE ENLARGEMENT OF THE GENERALIZED PREFERENCES SYSTEM, ARE REQUIRED TO SHARE THE TARIFF
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ADVANTAGES WHICH THEY AT PRESENT ENJOY ON THE MARKETS OF SOME DEVELOPED COUNTRIES, SHOULD HAVE THE ADVANTAGE URGENTLY OF NEW OPENINGS IN THE MARKETS OF OTHER DEVELOPED COUNTRIES, WHICH SHOULD PROVIDE THEM WITH EXPORT OPPORTUNITIES WHICH AT LEAST COMPENSATE FOR THE SHARING OF THEIR EARLIER ADVANTAGES.

(I) SETTING UP OF BUFFER STOCKS AND THEIR FINANCING.

(J) NEW INVESTMENT FOR THE EXPANSION OF CAPACITY OF PRODUCTION OF SYNTHETIC MATERIALS AND SUBSTITUTES SHOULD NOT BE MADE EXCEPT TO THE EXTENT THAT NATURAL MATERIALS CANNOT SATISFY THE REQUIREMENTS OF THE MARKET.

(II) MULTILATERAL TRADE NEGOTIATIONS SHOULD CONTAIN THE CONCEPTS OF NON-RECIPROCITY AND SPECIAL AND MORE FAVOURABLE TREATMENT THROUGH THE APPLICATION OF DIFFERENTIAL MEASURES IN FAVOUR OF DEVELOPING COUNTRIES, IN ORDER TO SECURE ADDITIONAL BENEFITS FOR THE INTERNATIONAL TRADE OF THESE COUNTRIES SO AS TO ACHIEVE A SUBSTANTIAL INCREASE IN THEIR FOREIGN EXCHANGE EARNINGS, DIVERSIFICATION OF THEIR EXPORTS AND ACCELERATION OF THE RATE OF THEIR GROWTH.

(III) FREIGHT AND INSURANCE:

MEASURES WILL TO BE TAKEN:

(A) TO PROMOTE AN INCREASING AND EQUITABLE PARTICIPATION OF DEVELOPING COUNTRIES IN THE WORLD SHIPPING TONNAGE;

(B) TO ARREST AND REDUCE THE EVER INCREASING FREIGHT RATES IN ORDER TO REDUCE THE COST OF IMPORTS TO, AND EXPORTS FROM, THE DEVELOPING COUNTRIES;

(C) TO REDUCE COST OF INSURANCE AND REINSURANCE FOR DEVELOPING COUNTRIES AND TO ASSIST THE GROWTH OF NATIONAL

INSURANCE AND REINSURANCE MARKETS IN DEVELOPING COUNTRIES
AND THE ESTABLISHMENT TO THIS END, WHERE APPROPRIATE,
OF INSTITUTIONS IN THESE COUNTRIES OR AT THE REGIONAL
LEVEL;

BEGIN BRACKETS (D) TO ENSURE THE IMMEDIATE IMPLEMENTATION
BY ALL COUNTRIES OF BEGIN BRACKETS THE END BRACKETS
CODE OF CONDUCT FOR LINER CONFERENCES. END BRACKETS
(IV) URGENT MEASURES TO BE TAKEN TO INCREASE THE EXPORT
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CAPABILITY OF THE LEAST DEVELOPED COUNTRIES AND TO
OFFSET THE DISADVANTAGES OF THE ADVERSE GEOGRAPHIC SITUATION
OF LAND-LOCKED COUNTRIES AS WELL AS DEVELOPING ISLAND
COUNTRIES IN ORDER TO INCREASE THEIR TRADING ABILITY.

II. INTERNATIONAL MONETARY SYSTEM AND FINANCING OF DEVELOPMENT OF DEVELOPING COUNTRIES

1. REFORM OF THE INTERNATIONAL MONETARY SYSTEM

(A) ELIMINATION OF THE TRANSFER OF INFLATION FROM DEVELOPED
TO DEVELOPING COUNTRIES, AND VICE-VERSA.

(B) MEASURES TO ELIMINATE THE INSTABILITY OF THE INTER-
NATIONAL MONETARY SYSTEM, IN PARTICULAR THE UNCERTAINTY
OF THE EXCHANGE RATES, AFFECTING ADVERSELY THE TRADE IN
COMMODITIES.

(C) FULL AND EFFECTIVE PARTICIPATION OF DEVELOPING
COUNTRIES IN DECISION-MAKING FOR THE FORMULATION OF AN
EQUITABLE AND DURABLE MONETARY SYSTEM AND ADEQUATE PARTI-
CIPATION OF DEVELOPING COUNTRIES IN ALL BODIES ENTRUSTED
WITH THIS REFORM AND, PARTICULARLY, IN THE GOVERNORS'
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(BEGIN BRACKETS) (D) ADEQUATE AND ORDERLY CREATION OF ADDITIONAL LIQUIDITY FOR THE DEVELOPING COUNTRIES THROUGH THE ADDITIONAL ALLOCATION OF SPECIAL DRAWING RIGHTS (SDRS). ANY CREATION OF INTERNATIONAL LIQUIDITY SHOULD BE MADE THROUGH INTERNATIONAL MULTILATERAL MECHANISMS. (END BRACKETS)

(E) EARLY ESTABLISHMENT OF LINK BETWEEN SDRS AND ADDITIONAL DEVELOPMENT FINANCING IN THE INTEREST OF DEVELOPING COUNTRIES.

(F) THE INTERNATIONAL MONETARY FUND (IMF) TO ENSURE EFFECTIVE PARTICIPATION BY DEVELOPING COUNTRIES IN THE DECISION-MAKING PROCESS THROUGH THE REFORM OF THE EXISTING VOTING QUOTA SYSTEM.

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2. FINANCING OF DEVELOPMENT OF DEVELOPING COUNTRIES AND URGENT MEASURES TO MEET BALANCE-OF-PAYMENT CRISES IN THE DEVELOPING WORLD

(A) IMPLEMENTATION BY THE DEVELOPED COUNTRIES OF THE TIME-BOUND PROGRAMME, AS ALREADY LAID DOWN IN THE INTERNATIONAL DEVELOPMENT STRATEGY FOR THE SECOND DECADE, FOR THE NET FLOW OF FINANCIAL RESOURCES TO DEVELOPING COUNTRIES. THE OFFICIAL COMPONENT OF THE NET TRANSFER OF FINANCIAL RESOURCES TO DEVELOPING COUNTRIES SHOULD BE INCREASED TO MEET THE TARGET OF THE INTERNATIONAL

DEVELOPMENT STRATEGY AND IF POSSIBLE SURPASS IT.

(B) INTERNATIONAL FINANCING INSTITUTIONS EFFECTIVELY TO PLAY THEIR ROLE AS DEVELOPMENT FINANCING BANKS WITHOUT RESORTING TO POLITICAL DISCRIMINATION AGAINST ANY DEVELOPING COUNTRY.

(C) ESTABLISHMENT OF NEW INTERNATIONAL FUND FACILITY TO PROVIDE IMMEDIATE AS WELL AS LONGER TERM BALANCE-OF-PAYMENT DEFICIT FINANCING FOR DEVELOPING COUNTRIES.

(D) REVIEW THE METHODS OF OPERATION OF THE IMF, IN PARTICULAR THE TERMS FOR BOTH CREDIT REPAYMENTS AND "STANDBY" ARRANGEMENTS, SYSTEM AND TERMS OF COMPENSATORY FINANCING OF COMMODITY BUFFER STOCKS, TO ENABLE DEVELOPING COUNTRIES TO MAKE MORE EFFECTIVE USE OF THEM.

(F) PROMOTION OF FOREIGN INVESTMENT BOTH PUBLIC AND PRIVATE FROM DEVELOPED TO DEVELOPING COUNTRIES ON THE BASIS OF NEEDS AND REQUIREMENTS IN SECTORS OF THEIR ECONOMIES.

(G) APPROPRIATE INTERNATIONAL ACTION TO BE TAKEN TO NEUTRALIZE ADVERSE CONSEQUENCES FOR THE CURRENT AND FUTURE DEVELOPMENT OF DEVELOPING COUNTRIES ARISING FROM THE BURDEN OF EXTERNAL DEBT CONTRACTED ON HARD TERMS.

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(H) APPROPRIATE MEASURES TO BE TAKEN TO REDUCE THE HEAVY BURDEN OF DEBT SERVICING INCLUDING THE METHOD OF RESCHEDULING.

(I) INTERNATIONAL FINANCIAL INSTITUTIONS INCREASINGLY TO REORIENT THEIR LENDING POLICIES (LONG-TERM LENDING INTEREST, GRANTS, LOANS, ETC.) TO SUIT THE URGENT NEEDS OF DEVELOPING COUNTRIES. THERE IS ALSO NEED FOR IMPROVEMENT IN POLICIES AND PRACTICE OF INTERNATIONAL FINANCIAL INSTITUTIONS IN REGARD TO DEVELOPMENT FINANCING AND INTERNATIONAL MONETARY PROBLEMS, BEARING IN MIND THE CHANGED POSITION AND INTERRELATION OF FORCES IN THE INTERNATIONAL FINANCIAL MARKET.

(J) APPROPRIATE STEPS TO BE TAKEN TO GIVE PRIORITY TO THE LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES IN THE ALLOCATION OF SDRS AND THE AVAILABILITY OF LOANS FOR DEVELOPMENT PURPOSES WHICH SHOULD INCLUDE

MORE FAVOURABLE TERMS AND CONDITIONS.

III. INDUSTRIALIZATION

MEASURES SHOULD BE TAKEN BY THE INTERNATIONAL COMMUNITY TO ENCOURAGE THE INDUSTRIALIZATION OF THE DEVELOPING COUNTRIES. TO THIS END:

(I) THE DEVELOPED COUNTRIES SHOULD RESPOND FAVOURABLY, WITHIN THE FRAMEWORK OF THEIR PUBLIC ASSISTANCE AS WELL AS INTERNATIONAL FINANCIAL INSTITUTIONS, EXISTING OR TO BE ESTABLISHED, TO THE REQUESTS OF DEVELOPING COUNTRIES FOR THE FINANCING OF INDUSTRIAL PROJECTS;

(II) THE DEVELOPED COUNTRIES SHOULD ENCOURAGE PRIVATE INVESTORS TO FINANCE INDUSTRIAL PRODUCTION PROJECTS, PARTICULARLY EXPORT-ORIENTED PRODUCTION, IN DEVELOPING COUNTRIES IN AGREEMENT WITH THE LATTER AND WITHIN THE CONTEXT OF THEIR LAWS AND REGULATIONS;
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(III) THE DEVELOPED COUNTRIES SHOULD IMPLEMENT EFFECTIVE MEASURES FOR ACHIEVING A NEW INTERNATIONAL DIVISION OF LABOUR PROMOTING THE EXPORT OF MANUFACTURES AND SEMI-MANUFACTURES OF THE DEVELOPING COUNTRIES.

IV. TRANSFER OF TECHNOLOGY

(A) FORMULATION, ADOPTION AND IMPLEMENTATION OF A CODE OF CONDUCT FOR THE TRANSFER OF TECHNOLOGY CORRESPONDING TO NEEDS AND CONDITIONS PREVALENT IN DEVELOPING COUNTRIES.

(B) EASIER AND LESS COSTLY ACCESS TO MODERN TECHNOLOGY APPROPRIATE TO SPECIFIC ECONOMIC AND SOCIAL CONDITIONS AND VARYING STAGES OF DEVELOPMENT IN DEVELOPING COUNTRIES.

(C) SIGNIFICANT EXPANSION IN DIRECT ASSISTANCE FROM DEVELOPED TO DEVELOPING COUNTRIES IN PROGRAMMES OF RESEARCH AND DEVELOPMENT AND CREATION OF SUITABLE INDIGENOUS TECHNOLOGY.

(D) HARMONIZATION OF COMMERCIAL PRACTICES GOVERNING TRANSFER OF TECHNOLOGY WITH THE REQUIREMENTS OF

THE DEVELOPING COUNTRIES.

V. REGULATION AND CONTROL OVER THE ACTIVITIES OF TRANS-
NATIONAL CORPORATIONS

FORMULATION, ADOPTION AND IMPLEMENTATION OF AN
INTERNATIONAL CODE OF CONDUCT FOR TRANSNATIONAL
CORPORATIONS IN ORDER:

(A) TO PREVENT INTERFERENCE IN THE INTERNAL AFFAIRS
OF THE COUNTRIES WHERE THEY OPERATE;

(B) TO REGULATE THEIR ACTIVITIES TO CONFORM TO THE
NATIONAL DEVELOPMENT PLANS AND OBJECTIVES OF
DEVELOPING COUNTRIES;
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(C) TO BRING ABOUT ASSISTANCE, TRANSFER OF TECHNO-
LOGY AND MANAGEMENT SKILLS TO DEVELOPING COUN-
TRIES ON FAVOURABLE TERMS;

(D) TO REGULATE THE REPATRIATION OF THE PROFITS
ACCRUING FROM THEIR OPERATIONS;

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(E) TO PROMOTE RE-INVESTMENT OF THEIR PROFIT
IN DEVELOPING COUNTRIES.

VI. CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATE

THE CHARTER OF ECONOMIC RIGHTS AND DUTIES OF
STATES, THE DRAFT OF WHICH IS AT PRESENT BEING
PREPARED BY A WORKING GROUP OF THE UNITED NATIONS
AND WHICH THE GENERAL ASSEMBLY HAS ALREADY EXPRESSED
THE INTENTION OF ADOPTING AT ITS FORTHCOMING
TWENTY-NINTH SESSION, SHALL CONSTITUTE A STIMULUS
TOWARDS THE ESTABLISHMENT OF A MORE JUST SYSTEM
OF INTERNATIONAL ECONOMIC RELATIONS BASED ON EQUITY
AND INTERDEPENDENCE OF THE INTERESTS OF DEVELOPED
AND DEVELOPING COUNTRIES. IT IS THEREFORE IMPORTANT
THAT THE CHARTER BE ADOPTED BY THE GENERAL ASSEMBLY
AT ITS NEXT REGULAR SESSION.

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VII. PROMOTION OF COOPERATION AMONG DEVELOPING COUNTRIES

COLLECTIVE SELF RELIANCE AND GROWING COOPERATION
AMONG BEGIN BRACKETS DEVELOPED AND END BRACKETS DEVELOPING
COUNTRIES FURTHER STRENGTHEN THEIR ROLE IN A MORE JUST INTER-
NATIONAL ECONOMIC ORDER.

DEVELOPING COUNTRIES, WITH A VIEW TO EXPANDING
COOPERATION AT THE REGIONAL, SUB-REGIONAL AND INTER-
REGIONAL LEVELS SHOULD TAKE FURTHER STEPS INTER-ALIA
(A) TO SUPPORT THE ESTABLISHMENT AND/OR IMPROVEMENT
OF APPROPRIATE MACHINERY TO DEFEND THE
PRICES OF THEIR EXPORTABLE COMMODITIES AND
TO IMPROVE ACCESS TO, AND TO STABILIZE, MARKETS
FOR THEM. THE ACTIONS OF OIL EXPORTING COUNTRIES
HAVE HAD WIDE REPERCUSSIONS ON DEVELOPING AND
DEVELOPED COUNTRIES ALIKE. THERE IS A PARAMOUNT
NEED FOR COOPERATION AMONG THE DEVELOPING COUNTRIES
IN EVOLVING URGENTLY AND IN A SPIRIT OF SOLIDARITY ALL

POSSIBLE MEANS TO ASSIST DEVELOPING COUNTRIES TO COPE WITH THE IMMEDIATE PROBLEMS RESULTING FROM THESE ACTIONS. THE MEASURES ALREADY TAKEN IN THIS REGARD ARE A POSITIVE INDICATION OF THE EVOLVING COOPERATION BETWEEN DEVELOPING COUNTRIES;

(B) TO PROTECT THEIR INALIENABLE RIGHT TO PERMANENT SOVEREIGNTY OVER THEIR NATURAL RESOURCES;

(C) TO PROMOTE, ESTABLISH OR STRENGTHEN ECONOMIC INTEGRATION AT THE REGIONAL AND SUB-REGIONAL LEVELS;

(D) TO INCREASE CONSIDERABLY THEIR IMPORTS FROM OTHER DEVELOPING COUNTRIES;

(E) NO DEVELOPING COUNTRY SHOULD ACCORD TO IMPORTS FROM DEVELOPED COUNTRIES MORE FAVOURABLE TREATMENT THAN THAT ACCORDED TO IMPORTS FROM DEVELOPING COUNTRIES.

(F) TO PROMOTE CLOSE COOPERATION IN THE FIELDS OF FINANCE, CREDIT RELATIONS AND MONETARY ISSUES, INCLUDING THE DEVELOPMENT OF CREDIT RELATIONS ON FAVOURABLE TERMS;

(G) TO STRENGTHEN EFFORTS WHICH ARE ALREADY BEING MADE BY DEVELOPING COUNTRIES TO UTILIZE AVAILABLE FINANCIAL RESOURCES FOR FINANCING DEVELOPMENT IN THE DEVELOPING COUNTRIES THROUGH INVESTMENT, FINANCING OR

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EXPORT-ORIENTED AND EMERGENCY PROJECTS AND OTHER LONG-TERM ASSISTANCE;

(H) TO PROMOTE AND ESTABLISH EFFECTIVE INSTRUMENTS OF COOPERATION IN THE FIELDS OF INDUSTRY, SCIENCE AND TECHNOLOGY, TRANSPORT, SHIPPING AND MASS COMMUNICATION MEDIA;

(I) DEVELOPED COUNTRIES SHALL SUPPORT INITIATIVES IN THE REGIONAL, SUB-REGIONAL AND INTER-REGIONAL COOPERATION OF DEVELOPING COUNTRIES THROUGH THE EXTENSION OF FINANCIAL AND TECHNICAL ASSISTANCE.

VII. BIS COOPERATION AMONG DEVELOPING COUNTRIES AT DIFFERENT LEVELS OF DEVELOPMENT

ECONOMIC COOPERATION AMONG DEVELOPING COUNTRIES SHOULD PROVIDE A SUITABLE FRAMEWORK TO ANSWER THE NEEDS OF DEVELOPING COUNTRIES AT DIFFERENT LEVELS OF DEVELOPMENT AND IN PARTICULAR TO SECURE AND ADVANCE THE INTERESTS OF THE LEAST DEVELOPED, LANDLOCKED AND ISLAND DEVELOPING COUNTRIES.

VIII. STRENGTHENING THE ROLE OF THE UNITED NATIONS SYSTEM IN THE FIELD OF INTERNATIONAL ECONOMIC COOPERATION

1. IN ACCORDANCE WITH THE AIMS AND OBJECTIVES OF THE DECLARATION ON THE ESTABLISHMENT OF A MORE JUST INTERNATIONAL ECONOMIC ORDER, ALL MEMBER STATES PLEDGE THEMSELVES TO MAKE FULL USE OF THE UNITED NATIONS

SYSTEM IN THE IMPLEMENTATION OF THIS PROGRAMME OF ACTION THEY HAVE JOINTLY ADOPTED FOR THE ESTABLISHMENT OF A MORE JUST INTERNATIONAL ECONOMIC ORDER, THUS STRENGTHENING THE ROLE OF THE UNITED NATIONS IN THE FIELD OF WORLD-WIDE COOPERATION FOR ECONOMIC AND SOCIAL DEVELOPMENT.

3. THE ECONOMIC AND SOCIAL COUNCIL SHALL DEFINE THE POLICY-FRAMEWORK AND COORDINATE THE ACTIVITIES OF ALL ORGNIZATIONS, INSTITUTIONS AND SUBSIDIARY BODIES WITHIN THE UNITED NATIONS SYSTEM WHICH SHALL BE ENTRUSTED WITH THE TASK OF IMPLEMENTING THIS PROGRAMME.

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IN ORDER TO ENABLE THE ECONOMIC AND SOCIAL COUNCIL TO CARRY OUT ITS TASKS EFFECTIVELY:

(A) ALL ORGANIZATIONS, INSTITUTIONS AND SUBSIDIARY BODIES CONCERNED SHALL SUBMIT TO THE ECONOMIC AND SOCIAL COUNCIL (ECOSOC) PROGRESS REPORTS ON THE IMPLEMENTATION OF THIS PROGRAMME WITHIN THEIR RESPECTIVE FIELDS OF COMPETENCE EVERY SIX MONTHS;

(B) THE ECONOMIC AND SOCIAL COUNCIL SHALL EXAMINE THE PROGRESS REPORTS AS A MATTER OF URGENCY, TO WHICH END IT MAY BE CONVENED IN SPECIAL SESSIONS OR, IF NEED BE, MAY FUNCTION CONTINUOUSLY. IT SHALL DRAW THE ATTENTION OF THE GENERAL ASSEMBLY TO THE PROBLEMS AND DIFFICULTIES ARISING IN CONNECTION WITH THE IMPLEMENTATION OF THIS PROGRAMME.

4. ALL ORGANIZATIONS, INSTITUTIONS, SUBSIDIARY BODIES AND CONFERENCES OF THE UNITED NATIONS SYSTEM ARE ENTRUSTED WITH THE IMPLEMENTATION OF THIS PROGRAMME OF ACTION.

BEGIN BRACKETS URGENT AND EFFECTIVE MEASURES SHOULD BE TAKEN WITH A VIEW TO MAKING THE EXISTING INTERNATIONAL MONETARY AND FINANCIAL INSTITUTIONS FULLY RESPONSIVE TO THE NEEDS AND REQUIREMENTS OF THE DEVELOPING COUNTRIES. A FUNDAMENTAL REFORM OF THEIR LENDING POLICIES AND PRACTICES SHOULD BE UNDERTAKEN. AN AGREEMENT SHOULD BE REACHED ON THE REFORM OF THE INTERNATIONAL MONETARY SYSTEM BY 31 JULY 1974. END BRACKETS

5. THE DEVELOPED COUNTRIES SHOULD CONTRIBUTE SUBSTAN-

TIALLY TO THE VARIOUS ORGANIZATIONS, PROGRAMMES
AND FUNDS ESTABLISHED WITHIN THE UNITED NATIONS
SYSTEM FOR THE PURPOSE OF ACCELERATING ECONOMIC
AND SOCIAL DEVELOPMENTS IN DEVELOPING COUNTRIES.

6. THIS PROGRAMME OF ACTION COMPLEMENTS AND STRENG-
THENS THE GOALS AND OBJECTIVES EMBODIED IN THE
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INTERNATIONAL DEVELOPMENT STRATEGY AS WELL AS
THE NEW MEASURES FORMULATED BY THE GENERAL ASSEMBLY
AT ITS TWENTY-EIGHTH SESSION TO OFFSET THE SHORT-
FALLS IN ACHIEVING THOSE GOALS AND OBJECTIVES.

THE IMPLEMENTATION OF THE PROGRAMME OF ACTION
SHOULD BE TAKEN INTO ACCOUNT AT THE TIME OF
MID-TERM REVIEW AND APPRAISAL OF THE INTER-
NATIONAL DEVELOPMENT STRATEGY FOR THE SECOND
DEVELOPMENT DECADE.

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